(306)

UNITED
NATIONS

TD

United Nations Conference on Trade and Development

Distr.
LIMITED

TD/B/39(1)/L.3/Add.9
12 October 1992

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Thirty-ninth session, first part
Geneva, 28 September 1992
Agenda item 15

DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE FIRST PART OF ITS THIRTY-NINTH SESSION

Held at the Palais des Nations, Geneva,
from 28 September to 14 October 1992

Rapporteur: Mr. Banmali Prasad Lacoul (Nepal)

Addendum

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GE.92-52622/1201K (E)

Chapter XI

BOARD DECISION 398 (XXXVIII): ESTABLISHMENT OF AN AD HOC WORKING GROUP TO EXPLORE THE ISSUE OF STRUCTURAL ADJUSTMENT FOR THE TRANSITION TO DISARMAMENT

(Agenda item 13)

1. Reporting on the outcome of the Secretary-General's informal consultations on this item, the Deputy Secretary-General of UNCTAD stated that informal consultations on the establishment of an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament had been held on 30 September 1992 under his chairmanship. After a wide-ranging exchange of views with coordinators and interested delegations, there had been a consensus among the participants that the following text could be accepted by the member States at the current session of the Board:

"The Trade and Development Board, at the first part of its thirty-ninth session, decides to:

"1. Establish an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament;

"2. Request the Secretary-General of UNCTAD to:

"(a) prepare a report on the activities in other United Nations organizations in this area and indicate where UNCTAD could best play a role; (b) prepare an estimate of the resource implications of setting up the ad hoc group; (c) circulate the report and estimate well in advance of the second part of the thirty-ninth session of the Trade and Development Board; (d) prepare draft terms of reference, taking into account views on the report, and circulate it in advance of the second part of the thirty-ninth session of the Trade and Development Board;

"3. Establish at the second part of the thirty-ninth session of the Trade and Development Board the timetable for the ad hoc working group to explore the issue of structural adjustment for the transition to disarmament, taking into account the timetable of existing ad hoc working groups as well as the availability of resources."

Action by the Board

2. At its 815th meeting, on 9 October 1992, the Board took note of the oral report by the Deputy Secretary-General of UNCTAD and decided to approve the recommendations addressed to it.

3. The representative of Chile said that his delegation was greatly satisfied to see the establishment of an ad hoc working group on structural adjustment for the transition to disarmament. His Government had been promoting this idea for some time, because it considered that the time was ripe to begin to work in earnest on the reconversion of military expenditure for the purpose of economic and social development. There could be no development without peace, and there would be no peace unless the military budgets were cut back. This issue had been discussed by the General Assembly for over 25 years, but in a highly theoretical manner. Today there were positive political aspects which enabled the international community to examine the problem in much more pragmatic detail. The approval by the Committee on Disarmament, after negotiations lasting 20 years, of the Convention on Chemical Weapons was an indication that international political détente was bearing fruit.

4. Furthermore, his Government was interested in the new ad hoc working group not only because it saw that the major powers were about to disarm, but also because it considered that the developing countries should themselves devote less resources to their military budgets in order to accelerate their economic and social development. These countries were currently investing enormous amounts in weaponry, and Chile believed that one way of mobilizing internal resources was to save on military outgoings so that the developing countries could face the social cost of structural adjustments and the remedying of problems that had undermined their growth and triggered huge social problems.

5. The ad hoc working group would be making recommendations on the main objectives for the use of resources by the various countries. As the representative of a developing country, he wished to give some indication of what a developing country could do with the resources that were released from the military budget. The first aim would be to examine how to accelerate social development and the elimination of poverty. In this context, his country had supported the initiative of the United Nations Secretary-General for a social summit and, at the regional level in ECLAC, it was promoting all aspects of economic growth with social equity. The second task would be to promote technical education with a view to fostering industrial and agricultural development and modernization. The technological research and

development activities had often been neglected in developing countries in favour of their huge military expenditure.

6. The work of the new ad hoc working group just established should be adequately prepared, which was why his country had not insisted on its immediate implementation. One should allow time for ideas to mature to the point where the deliberations of the working group would be of real significance for the international community and for the developing countries. He therefore hoped that the secretariat, in analysing what was currently being done in other international organizations, would consult all member States when it came to drawing up the draft terms of reference. Chile wished to make a substantive contribution to the mandate to be assigned to the ad hoc working group. Moreover, the new working group should benefit from the conclusions that would be emerging from the existing Ad Hoc Working Groups and Standing Committees, in particular the Standing Committee on Poverty Alleviation and the Ad Hoc Working Group on Investment and Technology.

7. The representative of the Russian Federation said that his delegation actively supported the establishment of an ad hoc working group on the transition to disarmament and was in favour of seeing the new group begin its work as soon as possible. Regarding the consensus text read out by the Deputy Secretary-General of UNCTAD, the terms of which had just been approved by the Board, he agreed with the representative of Chile that the draft terms of reference for the new ad hoc working group should be elaborated in close cooperation with member States. Finally, he pointed out that the proposed wording for this item in the draft provisional agenda for the second part of the thirty-ninth session of the Board would need to be adjusted to bring it into line with the new circumstances created by the Board's action.